

Wage and Hour Law Update

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Pennsylvania Law Amended to Comport to FLSA's 8/80 Overtime Rule For Healthcare Industry Employers

This Pennsylvania wage-and-hour law update was provided by Jackson Lewis attorney Stephanie J. Peet

In a positive development for Pennsylvania healthcare employers, on July 5, 2012, Governor Corbett signed into state law an amendment to the Pennsylvania Minimum Wage Act ("PMWA"), allowing hospitals and other healthcare employers in Pennsylvania to utilize the "8/80" overtime rule established by the federal Fair Labor Standards Act ("FLSA") *See* 29 U.S.C. § 203(j). Under this amendment, Pennsylvania healthcare employers may pay employees overtime for hours worked in excess of 8 hours per day, or 80 hours in a 14-day period. As with the federal rule, the amendment requires that the employer and employee reach an agreement or understanding as to this method of compensation <u>prior</u> to the performance of the work.

The new law (House Bill No. 1820) effectively undoes the Philadelphia Court of Common Pleas' March 2010 rulings in *Turner v. Mercy Health System* and *Vanston v. Maxis Health System*, which held that the payment of overtime in accordance with the "8/80" overtime rule violated the plain language of the PMWA. 2010 Phila. Ct. Com. Pl. LEXIS 146 (Pa. C.P. 2010).

While this new law is certainly welcome news for Pennsylvania healthcare employers, compliance remains challenging, and as in all aspects of wage and hour laws distinctions between federal and state law always must be analyzed.

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